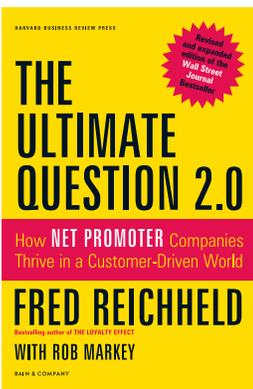


Loyalty Insights

Applying the Net Promoter SystemSM to internal customers

By Rob Markey



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Back when energy markets everywhere were tightly regulated, users of gas and electricity had to buy from whatever utilities served their area. From a business standpoint, “the concept of a customer just wasn’t relevant at all,” says René Matthies, chief financial officer for E.ON UK, the British division of the big European energy company. Sometimes people at E.ON thought of customers as little more than “meters.”

Then came deregulation, and E.ON, like most utilities, found itself in a fiercely competitive marketplace. One key to success in this new world was great customer service, so the company set out to make itself customer-centric. Net Promoter[®] was central to its efforts. The system’s emphasis on reliable metrics fit well with the company’s traditional engineering culture. Competitive benchmark scores provided critical information on the company’s relative standing in the eyes of customers.

But a funny thing happened at E.ON. The Net Promoter System’s immediate and direct customer feedback—introduced initially with frontline employees such as call-center representatives—began to spread throughout the organization. Service functions such as IT began collecting systematic Net Promoter-style feedback from their internal customers. They began acting on what they learned, making changes in how they interacted with those customers. Even the audit function has found it useful.

E.ON thus became a leading practitioner of what we call NPS for internal customers. “From an end-to-end process point of view, everybody is actually in the end serving our external customers,” says Olivier Mourrieras, head of E.ON’s Customer Experience Centre of Competence. “How can you do that if you break that chain in between?” NPS for internal customers, he adds, has been “hugely powerful.” (To learn more about E.ON, listen to our recent podcast conversation with three company executives.)

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Internal service functions (legal, finance, HR, IT and so on) have long labored in the shadows, far away from

a company’s end customers and without an easy view into their contributions to the company’s mission. Are they doing a good job? Who knows?

At most companies, employees complain loudly about the poor service they get from internal units. Managers grouse about the allocated-cost chargebacks that hit their budgets. But without competitive bidding, it’s difficult for anyone on either side to judge whether they’re getting or giving good value for the money. Most service teams, of course, would welcome honest feedback, but few organizations are set up to provide it. Instead, service functions hear from their internal customers only when there’s some kind of catastrophe or in those insipid end-of-year performance reviews.

A robust internal Net Promoter System can change all that. For example, suppose an IT team requested feedback after calls to the help desk—and not just a score or rating but a response to that all-important question of “why.” The team might also survey its internal customers—managers of other functions, for example—to gauge how well it’s doing in their eyes. Then the team could meet regularly in huddles to discuss the feedback—celebrating successes, talking about service failures and coming up with ideas for improvement. It could launch root-cause analysis to determine the ultimate source of failures, and it could escalate issues that it couldn’t resolve on its own to the appropriate senior executive or functional team.

The system can work in more complex internal interactions, as well. At one global professional services firm, practice areas solicit feedback from every individual in the firm who asks for support. The feedback goes to a team member, who logs it, categorizes it and forwards it to the managers responsible for the practice area. Those managers pass on compliments to the individual involved. They follow up complaints or suggestions to make sure they understand as much as possible about the situation. They track down root causes when necessary, and they share their findings with the rest of their team, which then addresses the issues in monthly huddles.

Employees at this firm report an array of benefits from this system. Conversations in the huddle have led to better

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processes for working with other internal departments. Practice areas have changed how they code revenue, with a goal of more accurately tracking the pipeline of future projects and anticipating needs for support. The firm has even added a layer of regional management to better support its client-facing professionals in each region of the world.

At E.ON, as mentioned earlier, even the audit function is getting into the Net Promoter act.

Audit, of course, is a little different from other internal units. As a governance function, says corporate audit head Guntram Würzberg, audit “doesn’t really have customers,” because other functions don’t have a choice about using the auditors’ services. Still, the auditors want to do their jobs as smoothly and effectively as possible. In the past, E.ON’s auditors sent out detailed feedback templates to the units they had just audited, but the return rate was typically only 20%–25%. Today, the unit has begun sending out short Net Promoter requests, asking how likely the unit would be to recommend the auditors and what the reasons are for their rating. It’s still early, says Würzberg—return rates and other data aren’t yet in—but already the feedback has proven useful. One respondent, for instance, suggested that the auditors share their learnings with the rest of the organization.

Keys to success

Like any application of the system, Net Promoter for internal customers requires common sense and good judgment on the part of those using it. Among the keys to success:

- **Pick your spots.** Not every interaction with every function merits feedback. Focus on the few that really matter—the episodes in which your group has a real chance to make either a promoter or a detractor out of an internal customer.

- **Give it a rest.** Use a process that allows you to control the number of times any individual is asked to provide feedback. You don’t want to overwhelm your colleagues with an avalanche of requests.
- **Maintain high velocity.** Provide the feedback directly and immediately to employees who need to hear it. Connecting feedback to specific events and actions allows employees to quickly identify potential changes to behavior, processes or policies.
- **Keep it real.** Don’t protect your team from harsh comments. Instead, promote an environment in which even difficult feedback is treated as a welcome chance to improve.
- **Celebrate heroes.** Similarly, share positive feedback quickly, regularly and with enthusiasm. Use stories of successful teaming, collaboration and internal promoter creation to reinforce your organization’s values.
- **Follow up fast.** Similar to external customers, internal customers need to know their feedback has been heard and taken seriously. Moreover, you can often glean rich and valuable insights from closing the loop with your internal customers.
- **Dig deep.** Root-cause analysis is a critical tool for addressing the needs of internal groups, so don’t stop with analysis of comments from your feedback system. Ask the “Five Whys” to go beyond the symptoms and figure out how to resolve the fundamental issues.

E.ON is a pioneer in the use of the Net Promoter System for internal customers, but many other companies are beginning to experiment with it. Used properly, it can be an essential part of a true customer-centric organization. 



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